



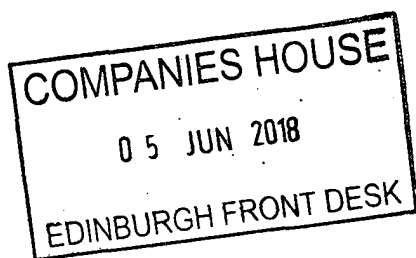
**Scott-Moncrieff**  
business advisers and accountants

**BITWISE GROUP LIMITED**

**Company registration number SC164481**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**



# BITWISE GROUP LIMITED

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## **BITWISE GROUP LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	P C McWhirter A McWhirter J B Clarke
<b>Company secretary</b>	CCW Secretaries Limited
<b>Registered number</b>	SC164481
<b>Registered office</b>	Crescent House Carnegie Campus Dunfermline KY11 8GR
<b>Independent auditor</b>	Scott-Moncrieff Exchange Place 3 Sempie Street Edinburgh EH3 8BL
<b>Bankers</b>	Clydesdale Bank plc 19 Stuart Street East Kilbride G74 4NF
<b>Solicitors</b>	CCW LLP Crescent House Carnegie Campus Dunfermline KY11 8GR

## **BITWISE GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors**

The directors who served during the year were:

P C McWhirter  
A McWhirter  
J B Clarke

**BITWISE GROUP LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies within part 15 of the Companies Act 2006.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the board and signed on its behalf by:



**P C McWhirter**  
**Director**

Date: 18/5/18

## **BITWISE GROUP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BITWISE GROUP LIMITED**

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#### **Opinion**

We have audited the financial statements of Bitwise Group Limited for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **BITWISE GROUP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BITWISE GROUP LIMITED (CONTINUED)**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

## BITWISE GROUP LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BITWISE GROUP LIMITED (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our auditor's report.

*Michael Harkness*

Michael Harkness (Senior Statutory Auditor)  
for and on behalf of  
Scott-Moncrieff Chartered Accountants, Statutory Auditor  
Exchange Place  
Semple Street  
Edinburgh  
EH3 8BL

Date: *18 May 2018*



BITWISE GROUP LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	99,818	99,818
<b>Gross profit</b>		<b>99,818</b>	<b>99,818</b>
Administrative expenses		(95,361)	(12,086)
Other operating income	5	3,955	-
<b>Operating profit</b>	6	<b>8,412</b>	<b>87,732</b>
Interest payable and expenses		(4,374)	(5,235)
<b>Profit before tax</b>		<b>4,038</b>	<b>82,497</b>
Tax on profit	9	(18,139)	(13,031)
<b>(Loss)/profit after tax</b>		<b>(14,101)</b>	<b>69,466</b>
Retained earnings at the beginning of the year		1,241,067	1,171,601
		1,241,067	1,171,601
(Loss)/profit for the year		(14,101)	69,466
<b>Retained earnings at the end of the year</b>		<b>1,226,966</b>	<b>1,241,067</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 20 form part of these financial statements.


**BITWISE GROUP LIMITED**  
**REGISTERED NUMBER: SC164481**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	10	591,458	-
Investments	11	25,000	25,000
Investment property	12	195,000	814,328
		<u>811,458</u>	<u>839,328</u>
<b>Current assets</b>			
Debtors	13	11,472	250,590
Current asset investments	14	728,766	152,303
Cash at bank and in hand		159,619	209,992
		<u>899,857</u>	<u>612,885</u>
Creditors: amounts falling due within one year	15	(234,249)	(129,654)
<b>Net current assets</b>		<u>665,608</u>	<u>483,231</u>
<b>Total assets less current liabilities</b>		<u>1,477,066</u>	<u>1,322,559</u>
Creditors: amounts falling due after more than one year	16	(250,000)	(81,392)
<b>Net assets</b>		<u><u>1,227,066</u></u>	<u><u>1,241,167</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	100	100
Profit and loss account	19	1,226,966	1,241,067
		<u><u>1,227,066</u></u>	<u><u>1,241,167</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**P C McWhirter**  
**Director**

Date: 18/5/18

The notes on pages 9 to 20 form part of these financial statements.

## **BITWISE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **1. General information**

The financial statements are presented in Pounds Sterling (GBP) as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2017.

The continuing activity of Bitwise Group Limited is property rental.

Bitwise Group Limited is a private company limited by shares incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company registration number is SC164481.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Associates**

Associates are held at cost less impairment.

##### **2.3 Going concern**

The directors of the company are of the opinion that the company can meet its obligations as they fall due for the foreseeable future and as a consequence have prepared the financial statements on a going concern basis.

**BITWISE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the rent can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before rent is recognised:

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of rent can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Borrowing costs**

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

## **BITWISE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **2. Accounting policies (continued)**

##### **2.6 Foreign currency translation**

###### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within administrative expenses. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within administrative expenses.

##### **2.7 Taxation**

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

##### **2.8 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## BITWISE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-
Short-term leasehold property	-
Plant and machinery	-
Motor vehicles	- 20% - 33% straight line
Fixtures and fittings	- 25% straight line
Office equipment	-
Computer equipment	-
Other fixed assets	-

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

##### 2.9 Investment property

Investment property is measured at cost at initial recognition and subsequently measured at fair value at each reporting date with changes in fair value recognised in the Statement of Income and Retained Earnings.

##### 2.10 Valuation of investments

Investments in associates are measured at cost less accumulated impairment.

##### 2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.12 Current asset investments

Current asset investments are measured at cost, less any impairment.

##### 2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other

## **BITWISE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **2. Accounting policies (continued)**

##### **2.14 Financial instruments (continued)**

third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

##### **2.15 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing the financial statements, managements is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates which have been deemed appropriate for the class of asset, and the directors' assessment of the fair value of investment properties.

#### **4. Turnover**

All turnover arose within the United Kingdom.

**BITWISE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**5. Other operating income**

	2017 £	2016 £
Gain on sale of current asset investment	3,955	-
	<u>3,955</u>	<u>-</u>

**6. Operating profit**

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets owned by the company	27,870	-
Profit/loss on sale of tangible assets	-	(16,567)
	<u>-</u>	<u>(16,567)</u>

**7. Auditors' remuneration**

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	2,230	2,165
Auditors' remuneration - non-audit	2,233	2,584
	<u>2,233</u>	<u>2,584</u>

**8. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).



BITWISE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

9. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	7,408	12,547
Adjustments in respect of previous periods	10,731	484
	<u>18,139</u>	<u>13,031</u>
<b>Total current tax</b>	<u>18,139</u>	<u>13,031</u>

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.25% (2016 - 20%).

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

10. Tangible fixed assets

	Land and buildings £
<b>Cost</b>	
Transfers from investment property	619,328
At 31 December 2017	<u>619,328</u>
<b>Depreciation</b>	
Charge for the period on owned assets	27,870
At 31 December 2017	<u>27,870</u>
<b>Net book value</b>	
At 31 December 2017	<u>591,458</u>
At 31 December 2016	<u></u>

The historical cost of the property is £619,328.

BITWISE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Fixed asset investments

	Investments in associates £
<b>Cost or valuation</b>	
At 1 January 2017	25,000
At 31 December 2017	<u>25,000</u>
<b>Net book value</b>	
At 31 December 2017	<u>25,000</u>
At 31 December 2016	<u>25,000</u>

Participating interests

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
KDM Enterprises Limited	Scotland	Ordinary	50%	Business support service

The aggregate of the share capital and reserves at 31 December 2017, and the profit or loss for the year ended on that date for KDM Enterprises Limited was £76,892 and £7,988 respectively.

**BITWISE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**12. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 January 2017	814,328
Transfers to land and buildings	(619,328)
<b>At 31 December 2017</b>	<b>195,000</b>

The value of investment properties represents their initial cost; the directors are of the opinion that this is not materially different to the fair value as at 31 December 2017.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2017 £</b>	<b>2016 £</b>
Historic cost	195,000	814,328
	<b>195,000</b>	<b>814,328</b>

**13. Debtors**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	8,318	-
Amounts owed by group undertakings	-	250,590
Other debtors	3,154	-
	<b>11,472</b>	<b>250,590</b>

**14. Current asset investments**

	<b>2017 £</b>	<b>2016 £</b>
Cost at 1 January 2017	152,303	-
Additions in year	695,008	152,303
Disposals in year	(118,545)	-
<b>At 31 December 2017</b>	<b>728,766</b>	<b>152,303</b>

**BITWISE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**15. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Bank loans	79,773	101,604
Trade creditors	20,782	1,100
Amounts owed to group undertakings	108,886	8,564
Corporation tax	7,408	12,547
Accruals and deferred income	17,400	5,839
	<u>234,249</u>	<u>129,654</u>

**16. Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
Bank loans	-	81,392
Amounts owed to group undertakings	250,000	-
	<u>250,000</u>	<u>81,392</u>

**Secured loans**

The bank loans are secured by a Bond and Floating Charge over the whole assets of the company and also by a standard security over Crescent House, Carnegie Campus, Dunfermline. Finance leases and hire purchases are secured over the asset to which they relate.

**17. Loans**

Analysis of the maturity of loans is given below:

	2017 £	2016 £
<b>Amounts falling due within one year</b>		
Bank loans	79,773	101,604
	<u>79,773</u>	<u>101,604</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	81,392
	<u>-</u>	<u>81,392</u>
	<u>79,773</u>	<u>182,996</u>

## BITWISE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

#### 18. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Ordinary shares have full voting and participation rights.

#### 19. Reserves

##### Profit and loss account

The profit and loss account includes current and prior year retained profit and losses, and dividends declared and paid.

#### 20. Capital commitments

At 31 December 2017 a capital commitment of £326,856 existed in relation to the office extension at Crescent House, Carnegie Campus.

#### 21. Related party transactions

During the year Bitwise Limited, a company owned by Bitwise Group BV in which P C McWhirter, a director, is a controlling shareholder, used the property owned by the company for their company trade and a commercial rent of £99,818 (2016: £99,818) was paid in the year. At the year end rent of £8,319 was due to Bitwise Group Limited from Bitwise Limited.

Bitwise Limited loaned the company £108,913, of which £8,913 was repaid in the year, leaving a balance of £100,000 being due to Bitwise Limited at the end of the year (2016: £nil). No interest was accrued in the year.

During the year a loan of £250,000 was received from Nesco Holding BV which is the ultimate holding company and in which P C McWhirter, a director, is a controlling shareholder. No interest was accrued in the year (2016: £nil). At the year end, £250,000 was due to Nesco Holding BV.

Bitwise Group paid Bitwise Group BV a management charge of £8,886 (2016: £8,564). At the year end £8,886 was owed to Bitwise Group BV.

Included in debtors at the beginning of the year was an amount due from Estonian Estates OU, a company in which P C McWhirter is controlling shareholder, of £250,590. This loan was repaid in full in the year, leaving the balance at the end of the year as £nil (2016: £250,590).

#### 22. Controlling party

The ultimate controlling party is deemed to be P C McWhirter who owns 92% of Bitwise Group BV, a company registered in the Netherlands, which owns 100% of the issued share capital. The registered address of Bitwise Group BV is Udenseweg 33A, 5411 SD Zeeland, Netherlands.

**BITWISE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**23. Other professional services provided by the auditor**

In common with many other businesses of our size and nature we use our auditor to prepare and submit to the tax authorities and assist with the preparation of the financial statements.